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SIPDIS

WHA/CAR JROSHOLT
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E.O. 12958: N/A
TABS: EFIS, ECON, EPET, VE, NS

SUBJECT: DEPARTMENT OF FISHERIES TO SEEK FUEL SUBSIDY FOR FISHING FLEETS

REF: PARAMARIBO 18

¶1. (U) Summary. An official from the Department of Fisheries confirmed the Suriname Seafood Association's claims that eighty percent of the fishing fleets are currently at dock due to high fuel prices. They are working with the fishing industry to request financial subsidies from the Ministry of Finance. The Ministry of Agriculture, Animal Husbandry and Fisheries would like to receive Petrocaribe fuel from Venezuela, but there is no Government of Suriname consensus. The fishing industry makes up 0.7 percent (2006 estimate) of Suriname's GDP and a collapse of the sector could affect as many as 37,000 jobs. End Summary.

¶2. (U) During a May 14 meeting with Muriel Wirdirjo, Acting Deputy Director of the Department of Fisheries (DOF), Wirdirjo confirmed to Econoff the Suriname Seafood Association's (SSA) claims (made during a May 9 press conference) that eighty percent of Suriname's fishing fleets are currently at dock due to high fuel costs. Both industrial and small-scale fleets are staying docked because of fuel costs, Wirdirjo elaborated. The company SAIL, NV, which also exports shrimp to the United States, had no shrimp trawlers at sea and their factory is processing aquaculture shrimp instead, she added. (Note: In a separate meeting on March 31, SAIL Director Errol Mannes told Econoff that the cost of operating one shrimp trawler had increased from 45,000 USD per year in 2002 to 202,000 USD per year in 2008, while the world market price for shrimp had remained relatively steady. End Note.)

¶3. (U) The SSA claimed on May 9 that the remaining twenty percent of the fleet at sea had only two weeks of fuel remaining. Wirdirjo said the DOF is aware of the SSA's concern that its 7,000 fishing jobs are at risk. In response, the DOF is working to obtain a fuel subsidy, in the form of monetary relief, for the fishing industry. The DOF requested all participants of the fishing industry provide it with information on the number of boats at sea and the daily operational costs of trips by May 23. The DOF will submit this information to the Ministry of Finance in order to negotiate a subsidy.

¶4. (U) When asked if the Government of Suriname is considering Petrocaribe as an option for easing the fuel crunch, Wirdirjo said the Ministry of Agriculture, Animal Husbandry and Fisheries is pushing for that option. The DOF has also withheld issuing fishing licenses to Venezuelan boats this year in hopes the Venezuelan fishers would push their government to reduce fuel costs to Suriname. Wirdirjo acknowledged that there is no Government of Suriname consensus on whether or not to pursue Petrocaribe fuel.

¶5. (U) Comment. The export fishing industry makes up 0.7 percent of the GDP. Although the SSA has referred to the 7,000 fisher jobs that are at risk, the collapse of the fishing sector could impact approximately 37,000 people who find employment in this sector either directly or indirectly. End Comment.